

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

UNITED STATES POSTAL SERVICE
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS TO
MAGAZINE PUBLISHERS OF AMERICA WITNESS GLICK
(USPS/MPA-T4-10-13)


Pursuant to rules 25 and 26 of the Rules of Practice and Procedure and rule 2 of the Special Rules of Practice, the United States Postal Service directs the following interrogatories and requests for production of documents to Magazine Publishers of America witness Glick: USPS/MPA-T4-10-13.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


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January 28, 1998

USPS/MPA-T4-10. Please refer to your response to interrogatory USPS/MPA-T4-1. Assume that there were no proposals for lower rates for Prepaid Reply Mail and Qualified BRM, based on the prebarcoding cost savings developed by witness Miller, or assume, in the alternative, that these proposals are not recommended by the Commission. Should prebarcoding cost savings then be considered, like the delivery cost savings calculated in section VI of your testimony, in determining the costs that underlie the BRMAS fee? Please explain your answer.

USPS/MPA-T4-11. Please refer to your response to interrogatory USPS/MPA-T4-3. Please confirm that the proposed monthly and annual fees for Prepaid Reply Mail (PRM) would be more likely to make PRM uneconomical for low-volume reply mail recipients than high-volume reply mail recipients. If you do not confirm, please explain why not.

USPS/MPA-T4-12. At facilities currently using the BRMAS program to count and rate BRMAS-rated BRM, do you believe that high-volume BRMAS-rated BRM recipients are more likely to be processed using the BRMAS program than low-volume BRMAS-qualified BRM recipients? If not, please explain the basis for your response, taking into account the need to assign a BCS stacker for each BRM recipient processed using the BRMAS program.

USPS/MPA-T4-13. Please refer to your testimony at page 5, lines 17 to 28, and footnote 3.

- (a) In your equation 2, why did you use the unit cost for a manual sort at *automated* sites?
- (b) Do you agree with witness Hatfield that:

At automated facilities, a large portion of the mail that receives piece distribution in manual incoming secondary operations is reject mail from automation equipment. Because these pieces have been rejected from automation equipment they are often the more challenging pieces to process for reasons such as damage and address quality. On the other hand, the manual incoming secondary operation at non-automated facilities process all pieces of mail. Therefore, the mail processed in manual incoming secondary operations tends to be much cleaner at non-automated facilities than at automated facilities. Manual processing of this cleaner mail stream leads to a higher productivity.

Response of witness Hatfield to ABA&EEI&NAPM/USPS-T-25-26(e), Tr. 4/1725-26. If not, please explain why not.

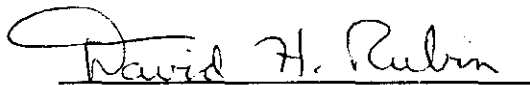
- (c) Please refer to Table 15 in Postal Service Library Reference H-179.
- (i) Please confirm that 22 percent of BRMAS-rated pieces sorted in the manual BRM operation are done so because there is no automation at the facility where the BRM is sorted to the mailer. If you do not confirm, please explain why not.
- (ii) Please confirm that the following reasons for sorting automatable pieces manually would appear to indicate BRMAS-rated mail that has not been run through automation equipment: "Insufficient volume", "Automation overburdened already", "Nonautomatable mail (flats, oversize letters)", "Time Constraint (mail arrives too late; service standard)". If you do not confirm, please explain why not.

- (iii) Please confirm that only 40 percent of all BRMAS-rated pieces sorted in the manual BRM operation are sorted in this operation because automation sorted them into a reject bin. If you do not confirm, please explain why not.
 - (iv) Please confirm that, given that some pieces that a BRMAS or barcode sorter operation sends to a reject bin are pieces that are out of scheme, rather than damaged or of poor address quality, the 40 percent figure discussed in part (ii) above represents an overestimate of “non-clean” (damaged or of poor address quality) BRM. If you do not confirm, please explain why not.
 - (v) Since BRMAS-rated BRM must go through a mailpiece approval process, do you agree that BRMAS-qualified BRM would generally tend to be of better address quality than other nonpresort First-Class Mail? If not, please explain why not.
- (d) Is it reasonable to expect that a majority of the BRMAS-rated mail that is manually sorted, counted, and rated would more closely reflect the “cleaner mail stream” at non-automated facilities, rather than the “more challenging pieces” at automated facilities, as discussed by witness Hatfield in part (b), above? If not, please explain.
- (e) Please confirm that if you use the 3.0787 cents per piece figure for “Manual/ Non-Auto Sites”, from USPS-T-25, Appendix 1, page 13, instead of the 5.4474 cents per piece figure for “Manual/Auto Sites”, in your Equation 2, the unit cost of a barcode sort (item 7 in Exhibit MPA-1), using all your other inputs,

changes from 3.56 cents to 5.93 cents. If you do not confirm, please explain why not.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.


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